

AUSTRIA—The Communist bloc accounted for about 30 per cent of Austrian foreign trade during the first quarter of 1958. Austria is still delivering goods to Russia toward the \$150,000,000 worth of products and 10,000,000 tons of oil required of Austria under the 1955 State Treaty. Chancellor Julius Raab has shown irritation over the fact that the United States Battle Act restrictions prevented Austria from building a steel mill for Czechoslovakia and there are reports that he may discuss a Soviet loan on a forthcoming visit to Moscow. The Austrians have been having difficulty getting Soviet imports to balance their shipments. Reports indicate that an East-West Trade Bank has been set up in Vienna to promote East-West trade.

BELGIUM-LUXEMBOURG—Imports from and exports to Russia and Eastern Europe dropped during the first quarter 1958 as against 1957. The Russians tried unsuccessfully to sell crude and refined oil below world market, but did sell small quantities of diesel oil below world price. The Russians are offering aluminum at 1 cent below the new world price.

BRITAIN—Significant British trade with the Communist bloc showed relatively little change during the first five months of 1958 as against the same period in 1957. Soviet sales of aluminum, tin, platinum, ferro-alloys are depressing markets, while sales of zinc and manganese are increasing. The Soviet Union has been offering oil at favorable prices but has sold little because oil companies having their own supply sources are not interested. The Russians and Communist Chinese paint glowing pictures of a greatly expanded trade if the West's strategic embargo is ended. Moscow has been expressing interest in buying equipment for chemical and synthetic fiber industries. The British are selling a wide range of machinery, ships and other transport equipment, chemicals, self-manufactured metals, textiles, and copper wire.

DENMARK—Danish trade with the Communist bloc increased somewhat during the first four months of 1958 as against 1957, but this trade is relatively small, in part because the Communists are unable to meet free world price competition. The Soviet Union bought 7,000 tons of Danish butter in May for almost \$4,000,000. Czechoslovakia is trying to sell Skoda cars, but is hindered by the fact that most Danes are able to afford cars are anti-Communist.

with the bloc, particularly the Soviet Union, was down substantially during the first quarter of 1958 as against the 1957 period, but still accounted for about one-quarter of Finland's foreign trade. Finland has recently made a barter agreement under which 12,000 tons of Finnish butter will be exchanged for Soviet wheat during the next twelve months. Last May the Soviet Union offered Finland a loan of 450,000,000 to 500,000,000 rubles (about \$100,000,000 to \$125,000,000) to buy goods and machinery, particularly for a planned new Otanmaki steel plant. The bulk of Finnish petroleum and a substantial part of Finnish metal needs are met by Soviet imports.

FRANCE—Imports from the Communist bloc this year are expected to aggregate \$166,600,000, almost 5 per cent of French imports. This will be substantially above the value of 1957 imports. Under a three-year (1957-59) trade pact, the Russians are buying primarily machinery and supplying mainly oil, manganese, chrome, coal, asbestos, wood, wood pulp and cellulose. The Russians were cooperative and eased terms when the French had an unfavorable trade balance late last year. The Russians generally quote prices above the world level and the French have had difficulty bringing Russian prices into line with competitive quotations.

Ratio of Bonn's Trade

GERMANY—A recent West German-Soviet three-year trade agreement provided for substantial increase in trade if the Russians can make adequate

private deals with German firms. But even if the agreement is fully implemented this will make Soviet trade only 3 per cent West Germany's trade. The Russians are offering oil products, ferrous and non-ferrous metals, timber, grain, tobacco, wool, cotton and other raw materials within the framework of the treaty, which provides a total of \$750,000,000 trade. West Germany is offering the Soviet Union synthetic fibers, rubber, chemicals, precision instruments, farm machinery and consumer goods. The recent attack by a Moscow crowd on the West German Embassy there worsened the atmosphere for trade relations.

The Communists increased during the first four months of this year. The Russians offer Moskvich automobiles substantially cheaper than German and British makes, but there have been many complaints about the quality of Soviet cars and farm machinery. The Russians have been insisting on barter agreements and have recently forced a group of Greek tobacco exporters to enter the retail automobile business to dispose of Soviet cars received in payment for tobacco. Soviet willingness to buy low-grade tobacco has won friends.

ICELAND—Iceland is heavily dependent on Communist trade, which accounted for one-third of her foreign trade during the first quarter of 1958. Iceland's fish industry would suffer if Communist purchases were to end suddenly. The country depends on the Soviet bloc for all oil products except aviation fuel. Pro-Soviet politicians hint that long-term credits and easy rates can be had from Communist countries, but the only loan so far is a short-term East German credit for fishing vessels.

ITALY—Soviet-Italian trade dropped sharply in the first quarter of 1958 as a result of the return to normal in the availability of Middle Eastern oil. The Suez crisis of 1956 had forced a greatly increased Italian dependence on Soviet oil.

NORWAY—Trade with the Communist bloc is only 2 to 3 per cent of all Norwegian trade. Some tendency toward a contraction is reported because the Communist nations are unable or unwilling to supply goods Norwegian consumers want. The Norwegian textile industry is complaining of the "dumping" of Eastern European textiles.

SPAIN—Currency agreements designed to facilitate trade have been signed with Poland, Hungary, Czechoslovakia and Rumania in the last year, but actual trade is small. Spanish ports are closed to Soviet ships but the Russians are selling some fertilizer and wood pulp.

SWEDEN—Communist bloc trade is only 3 to 5 per cent of Swedish trade and the trend is downward. The Soviet Union is having trouble selling oil because the price is above world prices. The Swedes are irritated by the red tape involved in Soviet trade.

SWITZERLAND—Trade with the Communist bloc declined during the first four months of 1958 compared with the 1957 period. Most Soviet prices are higher than competitive Western prices. The Swiss are concerned about the growth of Soviet watch manufacturing. They view Communist China as a possible important future market.

TURKEY—Trade with the

Communist bloc increased during the first quarter of 1958, making up about 30 per cent of Turkey's trade. An agreement for the Soviet Union to build a glass factory has been signed but still needs final approval of the Turkish authorities. Russia is showing some interest in helping Turkey to build several textile plants.

YUGOSLAVIA—The entire course of hitherto reviving Yugoslav economic relations with the Soviet bloc appears threatened by the worsening of Belgrade-Moscow political relations and the unilateral Soviet postponement of promised credit. A new Yugoslav-East German trade agreement was signed several days ago.